

Exhibit 41

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
MASTER DOCKET 18-MD-2865 (LAK)
CASE NO. 18-CV-09797

IN RE:)
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CUSTOMS AND TAX ADMINISTRATION OF)
THE KINGDOM OF DENMARK)
(SKATTEFORVALTNINGEN) TAX REFUND)
SCHEME LITIGATION)
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VIDEO DEPOSITION OF
BO DAUGAARD
Copenhagen, Denmark
Friday, June 11, 2021

Reported by: CHRISTINE MYERLY

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<p>1 answer. Okay?</p> <p>2 A Understood.</p> <p>3 Q And at the same time,</p> <p>4 Mr. Weinstein may wish to interpose an objection, so</p> <p>5 make sure you give him the time to do that as well.</p> <p>6 A Understood.</p> <p>7 Q Okay. So we are going to talk</p> <p>8 today about a few things. We will start with some</p> <p>9 background about you, where you have worked and then</p> <p>10 we will get into some specific projects that you may</p> <p>11 have work worked on. Okay?</p> <p>12 A Understood.</p> <p>13 Q Okay. If at any time you would</p> <p>14 like to take a break, please feel free to ask.</p> <p>15 A It is okay.</p> <p>16 Q The only issue is that if it is in</p> <p>17 the middle of an answer, I may ask that you finish</p> <p>18 the answer. Okay?</p> <p>19 A [Nodding head affirmatively.]</p> <p>20 Q You understand you are here to</p> <p>21 testify completely and truthfully in response to the</p> <p>22 questions that I ask, correct?</p> <p>23 A That is understood.</p> <p>24 Q Okay. Is there any reason at all</p> <p>25 that you believe you are not able to testify</p>	<p>1 truthfully today?</p> <p>2 A No, I don't think there is.</p> <p>3 Q Good. Would you please tell us</p> <p>4 about your education, Mr. Dugaard?</p> <p>5 A Yes. So before coming to SKAT, I</p> <p>6 worked for five years in audits of various</p> <p>7 municipalities.</p> <p>8 Q Okay. Prior to any auditing work,</p> <p>9 did you receive a degree from University?</p> <p>10 A No.</p> <p>11 Q Did you attend any sort of</p> <p>12 training in connection with auditing?</p> <p>13 A So, not before coming to SKAT, but</p> <p>14 while I was at SKAT, I did a degree in accounting</p> <p>15 and financial management.</p> <p>16 [Discussion in Danish between</p> <p>17 interpreter and Ms. Egholm.]</p> <p>18 THE INTERPRETER: Oh, sorry. I said -- I</p> <p>19 said "while I was at SKAT," but it was "before I</p> <p>20 came to SKAT."</p> <p>21 BY MR. BAHNSEN:</p> <p>22 Q Where did you receive that degree?</p> <p>23 A It is a commercial college in the</p> <p>24 region of western Zealand.</p> <p>25 Q Okay.</p>
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<p>1 THE INTERPRETER: It is a difficult school</p> <p>2 to translate.</p> <p>3 MR. BAHNSEN: I'll tell you what. Would</p> <p>4 you mind writing the name down and we can just -- or</p> <p>5 is it a particularly long name?</p> <p>6 THE INTERPRETER: Yes, it is a long name.</p> <p>7 MR. WEINSTEIN: You asked. And then you</p> <p>8 have to pronounce it.</p> <p>9 [Discussion in Danish between</p> <p>10 interpreter and witness.]</p> <p>11 A So, this school is similar to the</p> <p>12 school Copenhagen business school. The degree I</p> <p>13 took is the equivalent of a bachelor's degree.</p> <p>14 MR. BAHNSEN: If you wouldn't mind just</p> <p>15 reading off the letters. I can do that, if you'd</p> <p>16 like.</p> <p>17 THE INTERPRETER: Okay. So</p> <p>18 V-S-T-S-J-A-E-L-L-A-N-D-S. New word,</p> <p>19 H-A-N-D-E-L-S-H-O-E-G-S K O-L-E.</p> <p>20 BY MR. BAHNSEN:</p> <p>21 Q What year did you receive that</p> <p>22 degree?</p> <p>23 A It was 1998.</p> <p>24 Q Do you have any other</p> <p>25 certifications or licenses related to a professional</p>	<p>1 activity?</p> <p>2 A Yes. Definitely.</p> <p>3 Q Can you please identify them.</p> <p>4 A So, I did a -- I did a -- I did</p> <p>5 tax auditor training focusing on companies; again,</p> <p>6 equivalent to a bachelor's degree.</p> <p>7 Q How many years of study were</p> <p>8 required for that program?</p> <p>9 A So, that was a four-year period</p> <p>10 part time.</p> <p>11 Q Okay. Are there other</p> <p>12 certifications?</p> <p>13 A [In English] Certified</p> <p>14 information security auditor.</p> <p>15 Q Was that the actual Danish or was</p> <p>16 that the English?</p> <p>17 A That was English.</p> <p>18 Q Oh. I was going to be impressed</p> <p>19 if that was -- the translation was the same.</p> <p>20 Okay. Thank you.</p> <p>21 Any others?</p> <p>22 A [In Danish] So, I did a course</p> <p>23 with the Danish National Audit Office, the</p> <p>24 Rigsrevisionen, in public auditing. It was a course</p> <p>25 that the Rigsrevisionen, they were offering</p>

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<p>1 themselves.</p> <p>2 Q All right. Let's just make sure</p> <p>3 we round out the list here.</p> <p>4 Any other certifications involved?</p> <p>5 A Well, I have others after this</p> <p>6 period. Do you want me to go through those as well?</p> <p>7 Q So, when you say "this period,"</p> <p>8 what period are you talking about?</p> <p>9 A I am talking about the period</p> <p>10 where I was working for internal audit and up to the</p> <p>11 report.</p> <p>12 Q And by "the report," what report</p> <p>13 do you mean?</p> <p>14 A The report on dividend tax that I</p> <p>15 authored back in 2010.</p> <p>16 Q Okay. So, if I understand you</p> <p>17 correctly, the three certifications we just talked</p> <p>18 about are the certifications you had prior to</p> <p>19 authoring that report, right?</p> <p>20 A Correct.</p> <p>21 Q Okay. No, we don't have to go</p> <p>22 further for now.</p> <p>23 But would you mind going back to</p> <p>24 the second one that you mentioned and telling me</p> <p>25 when you received that?</p>	<p>1 A I completed that in 2005.</p> <p>2 Q How long of a program was that?</p> <p>3 A Certified --</p> <p>4 THE INTERPRETER: That was the certified</p> <p>5 one you are talking about, right?</p> <p>6 A [In English] Yes -- oh, sorry.</p> <p>7 Sorry.</p> <p>8 [In Danish] I thought you were</p> <p>9 referring to the tax auditor training, so no.</p> <p>10 BY MR. BAHNSEN:</p> <p>11 Q Thank you. Actually, you've --</p> <p>12 you have helped me.</p> <p>13 So, tax auditor training was 2005?</p> <p>14 A Yes.</p> <p>15 Q Okay. Thank you.</p> <p>16 And then the securities training?</p> <p>17 A Approximately 2008. I am not</p> <p>18 completely sure about the year.</p> <p>19 Q Okay. How long of a program was</p> <p>20 that?</p> <p>21 A So, this is a certification</p> <p>22 offered by ISACA, I-S-A-C-A, and they -- it is -- it</p> <p>23 consists of some seminar material and 200 multiple</p> <p>24 choice questions -- about 200 multiple choice</p> <p>25 questions about IT audit.</p>
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<p>1 Q All right. Then finally the</p> <p>2 National Audit Office course, when did you complete</p> <p>3 that?</p> <p>4 A I -- I am estimating, 2009.</p> <p>5 Q The early part or the later part</p> <p>6 in 2009?</p> <p>7 A I am guessing, before summer 2009.</p> <p>8 I -- I did not prepare and go through my -- my CV.</p> <p>9 I -- I can't remember the details of my résumé.</p> <p>10 Q That is okay. What you remember</p> <p>11 is fine.</p> <p>12 Okay. And then did I hear you say</p> <p>13 earlier that you spent about five years as a</p> <p>14 municipal auditor?</p> <p>15 MR. WEINSTEIN: Objection to form.</p> <p>16 A Yes, correct.</p> <p>17 BY MR. BAHNSEN:</p> <p>18 Q When was that?</p> <p>19 A 1993 to 1998.</p> <p>20 Q Where did you go after that?</p> <p>21 A [In English] I started in SKAT.</p> <p>22 Q In 1998?</p> <p>23 A Yes.</p> <p>24 Q Okay. What was the position that</p> <p>25 you started in?</p>	<p>1 A [In Danish] So, I -- I worked in</p> <p>2 the company -- company audit division.</p> <p>3 [Discussion in Danish between</p> <p>4 interpreter and Ms. Egholm.]</p> <p>5 THE INTERPRETER: I want to say "clerk,"</p> <p>6 but I am not completely sure I am translating his</p> <p>7 title correctly, but I get whispers from the other</p> <p>8 end of the table that agree with "clerk."</p> <p>9 BY MR. BAHNSEN:</p> <p>10 Q Okay. What were your</p> <p>11 responsibilities as a clerk?</p> <p>12 A So, I, together with my</p> <p>13 colleagues, we were part of selecting what companies</p> <p>14 were to undergo control, and other than that, work</p> <p>15 in the audit team focusing on big companies and</p> <p>16 banks.</p> <p>17 Q And how long did you hold that</p> <p>18 position?</p> <p>19 A For seven years.</p> <p>20 Q And I'm going to intentionally</p> <p>21 embarrass myself and do math, but does that mean you</p> <p>22 moved to a different position in 2005?</p> <p>23 A Correct.</p> <p>24 Q Into what position did you --</p> <p>25 A In -- I started in internal audit.</p>

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<p>1 think I have the word --</p> <p>2 [Discussion in Danish between</p> <p>3 interpreter and Mr. Bahnsen.]</p> <p>4 THE INTERPRETER: I know.</p> <p>5 [Discussion in Danish between</p> <p>6 interpreter and witness.]</p> <p>7 A Yes.</p> <p>8 BY MR. BAHNSEN:</p> <p>9 Q When did you testify before the</p> <p>10 Commission?</p> <p>11 A So, I don't remember the date, but</p> <p>12 March 2019, I guess.</p> <p>13 Q How did you obtain a copy of your</p> <p>14 transcript?</p> <p>15 A I had counsel, who was -- who gave</p> <p>16 it to me or sent it to me.</p> <p>17 Q Who is that counsel?</p> <p>18 A So, her name was, A-N-N, middle</p> <p>19 name, R-A-S K, last name, V-A-N-G.</p> <p>20 Q Okay. Was she your counsel in</p> <p>21 connection with your testimony before the</p> <p>22 Commission?</p> <p>23 A I don't know whether you can say</p> <p>24 that she was acting in the capacity of a defense</p> <p>25 counsel, she was there to assist me and protect me</p>	<p>1 in my capacity as a witness giving testimony before</p> <p>2 the Commission.</p> <p>3 Q When did you review that</p> <p>4 testimony?</p> <p>5 A At some point during the last two</p> <p>6 weeks.</p> <p>7 Q Do you know how Ms. Vang obtained</p> <p>8 a copy of that transcript?</p> <p>9 MR. WEINSTEIN: I just want to make sure</p> <p>10 he understands that discussions between him and his</p> <p>11 lawyer could be privileged.</p> <p>12 [Question interpreted.]</p> <p>13 MR. WEINSTEIN: And he -- it is his right</p> <p>14 not to disclose information that he has discussed</p> <p>15 with his attorney.</p> <p>16 [Question interpreted.]</p> <p>17 MR. BAHNSEN: The question, I believe, was</p> <p>18 whether he knew how his attorney obtained it, which</p> <p>19 could be answered yes or no, I don't believe that</p> <p>20 calls for privileged information.</p> <p>21 MR. WEINSTEIN: Okay --</p> <p>22 MR. BAHNSEN: Can I get the answer to that</p> <p>23 question and we can consider going on?</p> <p>24 [Question interpreted.]</p> <p>25 A I don't know. So the answer is,</p>
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<p>1 no.</p> <p>2 BY MR. BAHNSEN:</p> <p>3 Q Did you provide a copy of that</p> <p>4 transcript to anybody else?</p> <p>5 A I myself did not pass it on to</p> <p>6 anybody.</p> <p>7 Q But you are aware that it has been</p> <p>8 passed on to other people?</p> <p>9 A So, I know that this was in my</p> <p>10 work e-mail. I don't know whether anybody had</p> <p>11 scanned my e-mail to see whether this could be used</p> <p>12 in a -- in another context.</p> <p>13 Q Were other people copied on the</p> <p>14 e-mail that you received that attached the</p> <p>15 transcript?</p> <p>16 A No.</p> <p>17 Q Okay. Let me just make sure I am</p> <p>18 clear here.</p> <p>19 Do you know whether a copy of the</p> <p>20 transcript has been given to somebody at SKAT?</p> <p>21 A No.</p> <p>22 Q Okay. Let's move along here.</p> <p>23 I would like to talk a little bit</p> <p>24 about the internal review office in general terms.</p> <p>25 Okay?</p>	<p>1 At some point, did the name of the</p> <p>2 office change to SIR, S-I-R?</p> <p>3 A Correct.</p> <p>4 Q And so if I say "SIR," will you</p> <p>5 understand that to mean the same thing as "internal</p> <p>6 review"?</p> <p>7 A Yes.</p> <p>8 Q When was that change?</p> <p>9 A I don't remember.</p> <p>10 Q Was it while you were with</p> <p>11 internal review?</p> <p>12 A Yes.</p> <p>13 Q How are audits initiated within</p> <p>14 SIR?</p> <p>15 MR. WEINSTEIN: Objection to form.</p> <p>16 A So, typically what would happen is</p> <p>17 that we performed risk assessments of certain areas</p> <p>18 and we based our audits on the areas where there was</p> <p>19 a high risk.</p> <p>20 BY MR. BAHNSEN:</p> <p>21 Q What would constitute a high risk?</p> <p>22 A So, that could be, for example, a</p> <p>23 lack of general IT control.</p> <p>24 Q Anything else?</p> <p>25 A It could also be areas that we</p>

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<p>1 tax on foreigners.</p> <p>2 A Yes.</p> <p>3 Q Do you know why Mr. Loft requested</p> <p>4 this investigation?</p> <p>5 A Yes.</p> <p>6 Q Why did he do it?</p> <p>7 A So, he did that because various</p> <p>8 members of staff from the ministry as well as the</p> <p>9 section that -- or the unit called Citizens and</p> <p>10 Companies -- do you need the Danish word or -- no?</p> <p>11 -- Companies and Citizens as well</p> <p>12 as this unit, the Midtjylland Accounting, they had</p> <p>13 attempted to settle, I guess, the various figures --</p> <p>14 THE INTERPRETER: "Reconcile"?</p> <p>15 [Discussion in Danish between</p> <p>16 interpreter and Ms. Egholm.]</p> <p>17 THE INTERPRETER: Yeah, "reconcile."</p> <p>18 A -- the figures with which they had</p> <p>19 been presented that -- that they were trying to</p> <p>20 reconcile all these figures.</p> <p>21 BY MR. BAHNSEN:</p> <p>22 Q Which figures were they trying to</p> <p>23 reconcile?</p> <p>24 A So, both --</p> <p>25 [Discussion in Danish between</p>	<p>1 interpreter and witness.]</p> <p>2 THE INTERPRETER: Okay.</p> <p>3 A So they had figures from</p> <p>4 declaration and from reporting compared with</p> <p>5 information that they had have VP securities, as</p> <p>6 well as from our data warehouse.</p> <p>7 BY MR. BAHNSEN:</p> <p>8 Q Was the problem that they couldn't</p> <p>9 tell how much tax was being paid by foreigners?</p> <p>10 MR. WEINSTEIN: Objection to form.</p> <p>11 A Well, the problem was that it</p> <p>12 seemed they could not rule out that -- that more --</p> <p>13 that too much was refunded.</p> <p>14 BY MR. BAHNSEN:</p> <p>15 Q Okay. That sounds like a problem,</p> <p>16 right?</p> <p>17 MR. WEINSTEIN: Objection to form.</p> <p>18 A [Nodding head affirmatively.]</p> <p>19 [Reporter requests clarification.]</p> <p>20 A Yes. I apologize.</p> <p>21 BY MR. BAHNSEN:</p> <p>22 Q So you agree, it is a problem if</p> <p>23 SKAT doesn't know whether it is paying too much in</p> <p>24 dividend tax refunds, correct?</p> <p>25 A Correct.</p>
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<p>1 [Discussion in Danish between</p> <p>2 interpreter and Ms. Egholm.]</p> <p>3 MS. EGHOLM: Maybe you could just reread</p> <p>4 the question so we all know what she is translating.</p> <p>5 THE INTERPRETER: Yes.</p> <p>6 BY MR. BAHNSEN:</p> <p>7 Q Do you know whether Mr. Loft had</p> <p>8 that question on his own or was he informed by other</p> <p>9 people of a potential problem?</p> <p>10 MR. WEINSTEIN: Objection.</p> <p>11 A Well, it came because of what I</p> <p>12 just mentioned before, that different units had</p> <p>13 tried to reconcile various figures and then reported</p> <p>14 to Peter loft.</p> <p>15 Q Understood.</p> <p>16 Did you ever communicate directly</p> <p>17 with Mr. Loft?</p> <p>18 A No.</p> <p>19 Q So in the memo, you requested a</p> <p>20 meeting with Accounting II, correct?</p> <p>21 A Correct.</p> <p>22 Q How was Accounting II relevant to</p> <p>23 this issue of dividend withholding tax?</p> <p>24 A Because Accounting and Accounting</p> <p>25 II, they handle the administration of withheld</p>	<p>1 dividend tax refunds.</p> <p>2 Q And it says here that the purpose</p> <p>3 of the meeting was to create an overview of a number</p> <p>4 of things listed in a list here, correct?</p> <p>5 A Yes.</p> <p>6 Q And those things included "what</p> <p>7 information on dividends is reported to SKAT"?</p> <p>8 A Correct.</p> <p>9 Q "IT support for the task"?</p> <p>10 A Correct.</p> <p>11 Q "A division of the</p> <p>12 responsibilities, daily routines, case management,</p> <p>13 methods, procedures and guidance"?</p> <p>14 A Correct.</p> <p>15 Q And "Extraction and statistics</p> <p>16 from the systems"?</p> <p>17 A Correct.</p> <p>18 Q Is this information that SIR did</p> <p>19 not otherwise have available to it?</p> <p>20 A Correct.</p> <p>21 Q Did SKAT have any sort of internal</p> <p>22 reference documents on the various functions of the</p> <p>23 different offices?</p> <p>24 MR. WEINSTEIN: Objection.</p> <p>25 A I remember that there was an</p>

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<p>1 withheld dividend tax, you would instead pay the</p> <p>2 accurate tax from the beginning.</p> <p>3 BY MR. BAHNSEN:</p> <p>4 Q So this — this statement here</p> <p>5 applies to a scheme where the correct tax is applied</p> <p>6 at the first instance, correct?</p> <p>7 MR. WEINSTEIN: Objection to form.</p> <p>8 A Sorry, I lost my concentration for</p> <p>9 a moment.</p> <p>10 BY MR. BAHNSEN:</p> <p>11 Q Let me try again.</p> <p>12 Were you aware that there were at</p> <p>13 least two different schemes SKAT used for refund of</p> <p>14 dividend tax?</p> <p>15 A We had — that is correct. We had</p> <p>16 both the VP scheme and the spreadsheet scheme.</p> <p>17 Q Was there also something called</p> <p>18 the form scheme?</p> <p>19 A I assume that the form scheme is</p> <p>20 where you apply for a refund of withheld dividend</p> <p>21 tax.</p> <p>22 Q Was it your understanding here</p> <p>23 that Ms. Rømer was talking about something other</p> <p>24 than the form scheme?</p> <p>25 A Yes.</p>	<p>1 Q Do you think she was talking about</p> <p>2 the VP scheme?</p> <p>3 A Yes.</p> <p>4 Q By suggesting that reimbursements</p> <p>5 are going down as a result of the increase in the</p> <p>6 use of net settlement, did you understand that she</p> <p>7 is not suggesting that the number of tax-favored</p> <p>8 shareholders was decreasing?</p> <p>9 MR. WEINSTEIN: Objection to form.</p> <p>10 A I don't think I understood at the</p> <p>11 time when I received this document.</p> <p>12 BY MR. BAHNSEN:</p> <p>13 Q But you understand now that those</p> <p>14 two amounts may not necessarily move together,</p> <p>15 correct?</p> <p>16 MR. WEINSTEIN: Objection to form.</p> <p>17 A Yes, I would say that, but I do</p> <p>18 not remember our interpretation of this at the time</p> <p>19 or our position about this at the time.</p> <p>20 BY MR. BAHNSEN:</p> <p>21 Q Okay. If you would, please, turn</p> <p>22 to the next page.</p> <p>23 A [Witness complies.]</p> <p>24 Q And I am looking — about halfway</p> <p>25 down the page, there is a sentence that begins,</p>
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<p>1 "Since the dividend tax administration has been</p> <p>2 nationwide since its birth."</p> <p>3 Do you see that?</p> <p>4 A Yes.</p> <p>5 Q The sentence goes on to say that</p> <p>6 "interest in — interest in this area has generally</p> <p>7 been low." Correct?</p> <p>8 A Yes, correct.</p> <p>9 Q Did you understand what was meant</p> <p>10 by "nationwide since birth"?</p> <p>11 A What it meant was that instead of</p> <p>12 each individual tax center was handling the dividend</p> <p>13 tax cases, this was — this was focused under one</p> <p>14 unit, which was Accounting II.</p> <p>15 Q Do you know why interest was low?</p> <p>16 A I did not know at the time I</p> <p>17 received this memo, but I learned later on.</p> <p>18 Q Were you surprised at the lack of</p> <p>19 interest given the amount of money that was being</p> <p>20 refunded?</p> <p>21 MR. WEINSTEIN: Objection to form.</p> <p>22 A I was more concerned that they did</p> <p>23 not take a manager's concern for — about this area</p> <p>24 seriously.</p> <p>25</p>	<p>1 BY MR. BAHNSEN:</p> <p>2 Q Which manager are you talking</p> <p>3 about here?</p> <p>4 A Lisbeth Rømer.</p> <p>5 Q Were you aware that she had been</p> <p>6 raising concerns?</p> <p>7 A We learned that along the way</p> <p>8 during the audit.</p> <p>9 Q Can you turn back to the second</p> <p>10 page, please, second paragraph under the large</p> <p>11 heading in the middle.</p> <p>12 A [Witness complies.]</p> <p>13 Q Is it correct to say that this</p> <p>14 note reports, "The system does not allow dividends</p> <p>15 to be reconciled with the reporting of dividend</p> <p>16 recipients"?</p> <p>17 A Correct.</p> <p>18 Q What did you understand that to</p> <p>19 mean?</p> <p>20 A Well, yes, I understood this to</p> <p>21 mean that there was a time issue where you did not</p> <p>22 have sufficient time to reconcile information —</p> <p>23 reported information and declaration information.</p> <p>24 Q Are the amounts reported and the</p> <p>25 amounts declared supposed to be the same number?</p>

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<p>1 information to calculate accurate proceeds?</p> <p>2 A Correct.</p> <p>3 Q And whether the business processes</p> <p>4 for collecting dividend tax are documented?</p> <p>5 A Correct.</p> <p>6 Q And whether accounting and IT</p> <p>7 systems adequately support the accurate calculation</p> <p>8 of net proceeds, correct?</p> <p>9 THE INTERPRETER: Sorry. Can you repeat</p> <p>10 that question?</p> <p>11 BY MR. BAHNSEN:</p> <p>12 Q -- whether accounting and IT</p> <p>13 systems adequately support the accurate calculation</p> <p>14 of net proceeds.</p> <p>15 A Correct.</p> <p>16 Q And if you were to flip back very</p> <p>17 quickly to Exhibit 3170.</p> <p>18 A [Witness complies.]</p> <p>19 Q Are those audit goals more or less</p> <p>20 what you set out to learn in connection with the</p> <p>21 investigation?</p> <p>22 A More or less.</p> <p>23 Q And those are slightly different</p> <p>24 questions than whether SKAT is refunding more</p> <p>25 dividend tax than it takes in, correct?</p>	<p>1 MR. WEINSTEIN: Objection to form.</p> <p>2 A Well, the problem was that a</p> <p>3 reconciliation had been attempted. And then the</p> <p>4 question became whether they were able to trust</p> <p>5 this.</p> <p>6 And it could have been the case</p> <p>7 that -- that they did not refund too much.</p> <p>8 BY MR. BAHNSEN:</p> <p>9 Q So the question in the first --</p> <p>10 the first instance was whether you could calculate</p> <p>11 the proceeds, correct?</p> <p>12 A Yes.</p> <p>13 Q And in the process of</p> <p>14 investigating that question, you learned that it is</p> <p>15 possible for too much withholding tax to be</p> <p>16 refunded, correct?</p> <p>17 A Yes, there are problems that could</p> <p>18 put you in that situation.</p> <p>19 Q And the first paragraph of the</p> <p>20 final report essentially says that while you were</p> <p>21 investigating the question of reconciliation, you</p> <p>22 have determined that it is possible for too much</p> <p>23 withholding tax to be refunded, correct?</p> <p>24 A Yes. And that also became part of</p> <p>25 the conclusion.</p>
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<p>1 Q And at some point, you also answer</p> <p>2 questions about the reconciliation, correct?</p> <p>3 A Correct.</p> <p>4 Q But it was important enough to put</p> <p>5 in the very first sentence of the report a warning</p> <p>6 about the possibility of withholding -- too much</p> <p>7 withholding tax being refunded?</p> <p>8 MR. WEINSTEIN: Objection to form.</p> <p>9 MR. BAHNSEN: I'm sorry. I'm going to</p> <p>10 actually just try that one more time.</p> <p>11 Q It was important enough to put in</p> <p>12 the very first sentence of the report a warning</p> <p>13 about the possibility of too much withholding tax</p> <p>14 being refunded, correct?</p> <p>15 MR. WEINSTEIN: Objection to form.</p> <p>16 A So, that is not really something</p> <p>17 we said. If you look at what it says here, it says</p> <p>18 background of the -- of the investigation.</p> <p>19 So, this section was part of the</p> <p>20 task that we were given by the permanent secretary.</p> <p>21 And along the way, we understood that we were</p> <p>22 entering complicated territory, and, therefore, we</p> <p>23 learned that along the way, we needed to tweak the</p> <p>24 audit goals slightly compared with the beginning.</p> <p>25 And that is something that we</p>	<p>1 discussed with our head of accounting, Mads Blokhuis.</p> <p>2 MR. BAHNSEN: M-A-D-S.</p> <p>3 THE INTERPRETER: M-A-D-S, B-L-O-K-H-U-S.</p> <p>4 BY MR. BAHNSEN:</p> <p>5 Q Okay. A little further down the</p> <p>6 page, it -- excuse me.</p> <p>7 Actually, on the second page, the</p> <p>8 third paragraph from the top, it suggests that "When</p> <p>9 a recipient of the dividend tax" -- excuse me.</p> <p>10 "When a recipient of the dividend</p> <p>11 falls under Section 2, paragraph 1 of the</p> <p>12 withholding tax" --</p> <p>13 A I am not completely sure where we</p> <p>14 are.</p> <p>15 Q It is the -- yeah, the second full</p> <p>16 paragraph.</p> <p>17 A [In English] Yeah, yeah, yeah.</p> <p>18 BY MR. BAHNSEN:</p> <p>19 Q That paragraph says that "When the</p> <p>20 recipient of the dividend falls under Section 2,</p> <p>21 paragraph 1 of the Withholding Tax Act, he can apply</p> <p>22 for a tax refund subject to this specific double</p> <p>23 taxation agreement." Correct?</p> <p>24 A [In Danish] Correct.</p> <p>25 Q We are -- we are talking about the</p>

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<p>1 Danish Withholding Tax Act, right?</p> <p>2 A [In English] Yes.</p> <p>3 Q So is that the law that addresses</p> <p>4 who might apply for a tax refund if they received a</p> <p>5 dividend?</p> <p>6 A [In Danish] Yes, together with</p> <p>7 the Double Taxation Treaty.</p> <p>8 Q Are there any other Danish laws</p> <p>9 that you understand to govern this question?</p> <p>10 MR. WEINSTEIN: Objection to form.</p> <p>11 A Not to my knowledge. Not to my</p> <p>12 knowledge. But I would like to refer your attention</p> <p>13 to Section 5 where we refer to different</p> <p>14 legislation.</p> <p>15 BY MR. BAHNSEN:</p> <p>16 Q And these authorities concern</p> <p>17 Danish tax law, correct?</p> <p>18 A Correct.</p> <p>19 Q As far as you know, we are only</p> <p>20 talking about tax law, right?</p> <p>21 MR. WEINSTEIN: Objection to form.</p> <p>22 A Correct.</p> <p>23 BY MR. BAHNSEN:</p> <p>24 Q Can you turn, please, to</p> <p>25 Section 7.1.</p>	<p>1 A [Witness complies.]</p> <p>2 Q In the first paragraph under that</p> <p>3 heading, it says -- it says, "Several process owners</p> <p>4 share the responsibility for SKAT's process of</p> <p>5 handling dividend taxation." Correct?</p> <p>6 A Correct.</p> <p>7 Q It goes on to say, "No one has</p> <p>8 overall responsibility for the entire process."</p> <p>9 Correct?</p> <p>10 A It says that "An overall</p> <p>11 responsibility has not been defined."</p> <p>12 Q What does that mean to you?</p> <p>13 A What it means is that somebody</p> <p>14 might have responsibility for the entire process,</p> <p>15 but it has not been described.</p> <p>16 Q Based upon your investigation, did</p> <p>17 you understand there to be an overall responsibility</p> <p>18 for the process?</p> <p>19 A No.</p> <p>20 Q Is the absence of an overall</p> <p>21 responsibility a risk?</p> <p>22 A It can be.</p> <p>23 Q In what way could it be?</p> <p>24 A I don't quite know how to explain</p> <p>25 this.</p>
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<p>1 So, the problem is that if there</p> <p>2 is nobody with a general overview of the situation,</p> <p>3 things may fall between two chairs and things might</p> <p>4 end up not being handled.</p> <p>5 Q Would another way to say it be</p> <p>6 that if you have 11 fathers, you have none?</p> <p>7 MR. WEINSTEIN: Objection to form.</p> <p>8 A I am not familiar with the</p> <p>9 expression.</p> <p>10 BY MR. BAHNSEN:</p> <p>11 Q Okay. Can you turn to the next</p> <p>12 page, should be the first paragraph.</p> <p>13 A [Witness complies.]</p> <p>14 Q It says, second sentence,</p> <p>15 "Accounting II only checks that the dividend has</p> <p>16 been declared for each stated company." Correct?</p> <p>17 A Correct. That is what we</p> <p>18 discussed in great detail earlier on.</p> <p>19 Q Right. And in the course of your</p> <p>20 investigation, you didn't learn that Accounting II</p> <p>21 was doing any other checks, correct?</p> <p>22 A Yes, that is true, in connection</p> <p>23 with the reporting.</p> <p>24 MR. WEINSTEIN: Well, he said</p> <p>25 "declaration," I think it should say "declaration."</p>	<p>1 THE INTERPRETER: Okay. Could you give me</p> <p>2 just one second.</p> <p>3 [Discussion in Danish between</p> <p>4 interpreter and Ms. Egholm.]</p> <p>5 THE INTERPRETER: Just -- just checking</p> <p>6 the words "declaration" and "reporting" that I</p> <p>7 apparently switched in the two questions before.</p> <p>8 MR. BAHNSEN: So, I didn't use either</p> <p>9 word. The answer was --</p> <p>10 MS. EGHOLM: "Declared" --</p> <p>11 MR. BAHNSEN: I said "declared"?</p> <p>12 MS. EGHOLM: Mm-hmm.</p> <p>13 MR. BAHNSEN: The question was: In the</p> <p>14 course of your investigation, you didn't learn that</p> <p>15 Accounting II was doing any other checks. Correct?</p> <p>16 MS. EGHOLM: Just before that.</p> <p>17 MR. WEINSTEIN: So, his answer is saying,</p> <p>18 basically, yes, with respect to the declaration.</p> <p>19 MR. BAHNSEN: That is my understanding of</p> <p>20 the answer as well.</p> <p>21 MR. WEINSTEIN: Okay. I don't know what</p> <p>22 it says, so --</p> <p>23 MR. BAHNSEN: So, the answer says: Yes,</p> <p>24 that is true in connection with the reporting.</p> <p>25 So it should read: Yes, that is true in</p>

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<p>1 connection with the declaration. Correct?</p> <p>2 Do you agree?</p> <p>3 MR. WEINSTEIN: Yes.</p> <p>4 BY MR. BAHNSEN:</p> <p>5 Q So, let me just -- just to make it</p> <p>6 a little clearer, let me ask the question again, if</p> <p>7 I may, please.</p> <p>8 [Question interpreted.]</p> <p>9 BY MR. BAHNSEN:</p> <p>10 Q In the course of your</p> <p>11 investigation, you didn't learn that Accounting II</p> <p>12 was doing any other checks, correct?</p> <p>13 A Are you saying in relation to or</p> <p>14 in general?</p> <p>15 MR. WEINSTEIN: Can I make a suggestion,</p> <p>16 because I think your question had some context to it</p> <p>17 that is now getting lost.</p> <p>18 MR. BAHNSEN: Yeah.</p> <p>19 MR. WEINSTEIN: If we all agree that the</p> <p>20 word was "declaration," we will fix that.</p> <p>21 MR. BAHNSEN: Sure.</p> <p>22 MR. WEINSTEIN: I think it is hard for him</p> <p>23 to go back and recreate a series of questions.</p> <p>24 BY MR. BAHNSEN:</p> <p>25 Q Can you turn, please, to</p>	<p>1 Section 7.3, specifically, to the paragraph -- this</p> <p>2 is the very last sentence on the page with heading</p> <p>3 7.3.1.</p> <p>4 A [Witness complies.]</p> <p>5 Q It says, "Therefore, a prompt</p> <p>6 request for refund may result in the reimbursement</p> <p>7 of dividend tax to shareholders before the withheld</p> <p>8 dividend tax is declared and paid."</p> <p>9 A Correct.</p> <p>10 Q Again, this is the issue we</p> <p>11 discussed before, correct?</p> <p>12 A Correct.</p> <p>13 Q And so your investigation did not</p> <p>14 uncover any evidence to the contrary, correct?</p> <p>15 A [In English] No.</p> <p>16 Q Next paragraph, it says,</p> <p>17 "Accounting II does not carry out checks on whether</p> <p>18 the investor in question is actually a shareholder</p> <p>19 in the company."</p> <p>20 A [In Danish] Correct.</p> <p>21 Q Again, your investigation did not</p> <p>22 uncover evidence to the contrary, correct?</p> <p>23 A [In English] No.</p> <p>24 Q That sentence goes on to suggest</p> <p>25 that "Accounting II does not carry out checks on</p>
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<p>1 whether the investor in question is, in fact, liable</p> <p>2 for tax in the foreign country."</p> <p>3 A Correct.</p> <p>4 Q Same question: Did your</p> <p>5 investigation uncover evidence to the contrary?</p> <p>6 A [In English] No.</p> <p>7 Q Next paragraph, "The use of</p> <p>8 omnibus accounts means that multiple dividend notes</p> <p>9 are printed for each share, it makes it difficult to</p> <p>10 check whether dividend tax is recovered more than</p> <p>11 once per share."</p> <p>12 A [In Danish] Correct.</p> <p>13 Q And you did not uncover evidence</p> <p>14 to the contrary in your investigation, correct?</p> <p>15 A No.</p> <p>16 Q Next paragraph discusses omnibus</p> <p>17 accounts, again. And the end of the paragraph says</p> <p>18 that "The real owners of the shares are not known.</p> <p>19 So refunds are paid without proof of ownership and</p> <p>20 actual distribution." Correct?</p> <p>21 A Well, correct. And I refer your</p> <p>22 attention to the -- one of the sketches or diagrams</p> <p>23 that is included in one of the attachments.</p> <p>24 Q And that diagram explains why the</p> <p>25 identity of the shareholder is not known, correct?</p>	<p>1 A Correct.</p> <p>2 MR. BAHNSEN: Would you like to take a</p> <p>3 break?</p> <p>4 THE INTERPRETER: Yes.</p> <p>5 THE WITNESS: Yes.</p> <p>6 MR. BAHNSEN: What would you like?</p> <p>7 THE WITNESS: I would say five minutes an</p> <p>8 then move on.</p> <p>9 MR. BAHNSEN: Go off the record, please.</p> <p>10 THE VIDEOGRAPHER: Okay. Standby.</p> <p>11 Time is 10:55 a.m. New York time, and we</p> <p>12 are going off the record.</p> <p>13 [Whereupon, a recess transpired</p> <p>14 from 10:55 a.m. until 11:13 a.m.]</p> <p>15 THE VIDEOGRAPHER: Okay. Standby.</p> <p>16 The time is 11:13 a.m. New York time, and</p> <p>17 we are back on record.</p> <p>18 BY MR. BAHNSEN:</p> <p>19 Q Mr. Daugaard, before the break, we</p> <p>20 were talking about some of the statements in the</p> <p>21 final report, correct?</p> <p>22 A Correct.</p> <p>23 Q And if you go back to the second</p> <p>24 paragraph on the page with Bates numbers ending</p> <p>25 -1065.</p>

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<p>1 A Correct.</p> <p>2 BY MR. BAHNSEN:</p> <p>3 Q The next one, "There is no</p> <p>4 reconciliation between the dividends declared and</p> <p>5 the dividends reported." Correct?</p> <p>6 A That is correct.</p> <p>7 Q Next, "Dividend tax can be</p> <p>8 refunded before the tax is paid to SKAT." Correct?</p> <p>9 A Also, correct.</p> <p>10 Q Next one, "Omnibus accounts means</p> <p>11 that several dividend notes are printed for a single</p> <p>12 share." Correct?</p> <p>13 A Correct.</p> <p>14 Q There is no check as to whether</p> <p>15 dividend tax is requested more than once per share,</p> <p>16 correct?</p> <p>17 A Correct.</p> <p>18 Q And there are no checks as to</p> <p>19 whether the investor is actually a shareholder,</p> <p>20 correct?</p> <p>21 A Correct.</p> <p>22 Q Okay. From your perspective --</p> <p>23 well, are any of the other conclusions stated in</p> <p>24 this report misstated in any way?</p> <p>25 A Not to my knowledge.</p>	<p>1 Q So, you agree with the statements</p> <p>2 that are made in this report, correct?</p> <p>3 A Yes. I was the one to write them.</p> <p>4 Q How serious are any of these</p> <p>5 problems that you identified?</p> <p>6 MR. WEINSTEIN: Objection to form.</p> <p>7 A Are you asking which are the most</p> <p>8 serious or are you asking about all of them?</p> <p>9 BY MR. BAHNSEN:</p> <p>10 Q Let's take the first question</p> <p>11 first.</p> <p>12 Did any one of these problems</p> <p>13 strike you as the most serious?</p> <p>14 A I am only just now understanding</p> <p>15 the question.</p> <p>16 Well, the major problem here was</p> <p>17 that there was no way to actually check who was the</p> <p>18 share owner.</p> <p>19 And another big problem was that</p> <p>20 you could have several dividend notes for omnibus</p> <p>21 accounts.</p> <p>22 Q With respect to the first thing</p> <p>23 you just mentioned, what is the risk to the Danish</p> <p>24 treasury?</p> <p>25 MR. WEINSTEIN: Objection to form.</p>
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<p>1 A So, one of the risks that the</p> <p>2 Treasury is facing that somebody get hold of</p> <p>3 somebody else's dividend note and make changes and</p> <p>4 thereby commits fraud.</p> <p>5 MS. EGHOLM: I don't think he said</p> <p>6 "Treasury." He said "one of the risks" --</p> <p>7 THE INTERPRETER: "One of" --</p> <p>8 [Discussion in Danish between</p> <p>9 interpreter and Ms. Egholm.]</p> <p>10 THE INTERPRETER: I translated what he</p> <p>11 answered to your question about the Treasury, I said</p> <p>12 that "the Treasury is facing," and so on.</p> <p>13 Instead, it should have been "One of the</p> <p>14 risks that you are facing is that somebody will get</p> <p>15 hold of a dividend note and then the note is changed</p> <p>16 and there by fraud is committed."</p> <p>17 BY MR. BAHNSEN:</p> <p>18 Q Was that a specific risk that you</p> <p>19 were envisioning when you wrote this?</p> <p>20 A Yes, I think so.</p> <p>21 Q So, if you could check who the</p> <p>22 actual owner of the share is, that would have been</p> <p>23 an improvement to the system, correct?</p> <p>24 A Correct, or if you had introduced</p> <p>25 net settlement.</p>	<p>1 Q That would have been another way</p> <p>2 to resolve this issue?</p> <p>3 A Yes.</p> <p>4 Q And did you understand whether</p> <p>5 there were efforts to implement net settlement?</p> <p>6 A Not at the time. And this issue</p> <p>7 has yet to be resolved.</p> <p>8 Q So you just mentioned two options</p> <p>9 to resolve the issue.</p> <p>10 Is it your opinion that SKAT</p> <p>11 should have found a way to do one or the other?</p> <p>12 MR. WEINSTEIN: Object to the form.</p> <p>13 A So, both methods work, but I would</p> <p>14 say that net settlement is always going to be the</p> <p>15 better way because that is how we do this in</p> <p>16 Denmark. Because then you would get around all the</p> <p>17 refund applications.</p> <p>18 BY MR. BAHNSEN:</p> <p>19 Q Understood.</p> <p>20 Either way, your opinion is that</p> <p>21 SKAT should have done something to correct this</p> <p>22 problem, right?</p> <p>23 A So, we should have raised the</p> <p>24 issue with the ministry, but there is also a</p> <p>25 structural issue when it comes to putting the</p>

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<p>1 A Correct.</p> <p>2 Q Did you ever discuss the audit</p> <p>3 report with Mr. Rasmussen?</p> <p>4 A So, in connection with Kjeld</p> <p>5 Rasmussen having to sign the report, I remember him</p> <p>6 having some questions about this. I cannot remember</p> <p>7 specifically about what.</p> <p>8 But we discussed the questions he</p> <p>9 had and then he signed the report. After that, we</p> <p>10 did not discuss the report.</p> <p>11 Q Did Mr. Rasmussen have any</p> <p>12 objections to any part of the report?</p> <p>13 MR. WEINSTEIN: Objection to form.</p> <p>14 A No, he did not; otherwise, he</p> <p>15 would not have signed it.</p> <p>16 BY MR. BAHNSEN:</p> <p>17 Q Did you and Mr. Rasmussen ever</p> <p>18 discuss views on SKAT management?</p> <p>19 A [In English] No.</p> <p>20 Q Do you have any understanding of</p> <p>21 whether Mr. Rasmussen had an opinion on SKAT's</p> <p>22 attitude towards following up with reports?</p> <p>23 MR. WEINSTEIN: Objection to form.</p> <p>24 A [In Danish] No, I don't know --</p> <p>25 no, I do not know. But since then, a system has</p>	<p>1 been put in place always to follow up on reports,</p> <p>2 but whether that was under Kjeld Rasmussen, I do not</p> <p>3 know.</p> <p>4 Q Do you know when that system was</p> <p>5 put into place?</p> <p>6 A I don't remember.</p> <p>7 Q Turn, please, to Exhibit 3358.</p> <p>8 A [Witness complies.]</p> <p>9 Q Do you recognize this document?</p> <p>10 A [Witness reviews document.]</p> <p>11 Yes.</p> <p>12 Q This is an e-mail from your</p> <p>13 colleague, Ms. Laustsen, on the 21st of December,</p> <p>14 2010, correct?</p> <p>15 [Reporter requests clarification.]</p> <p>16 BY MR. BAHNSEN:</p> <p>17 Q L-A-U-T-S-E-N -- excuse me --</p> <p>18 L-A-U-S-T-S-E-N.</p> <p>19 A Yes, I have seen it.</p> <p>20 Q And the second paragraph says that</p> <p>21 "The group has not yet started up." Correct?</p> <p>22 A Correct.</p> <p>23 Q So another month has passed since</p> <p>24 the last e-mail we saw and there is still no working</p> <p>25 group, correct?</p>
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<p>1 A Correct.</p> <p>2 Q There is a suggestion that "There</p> <p>3 were problems finding manning for the group."</p> <p>4 Do you see that?</p> <p>5 A Correct.</p> <p>6 Q Do you understand what those</p> <p>7 problems were?</p> <p>8 A I do not know.</p> <p>9 Q Do you know about any of the work</p> <p>10 that this work group performed?</p> <p>11 A No. I do not know because I</p> <p>12 switched jobs away from internal audit, as far as I</p> <p>13 remember, December 1st, 2010.</p> <p>14 Q Can you turn to Exhibit 3357,</p> <p>15 please.</p> <p>16 A [Witness complies.]</p> <p>17 Q Do you recognize this document?</p> <p>18 A I would need to read it. I see</p> <p>19 that I am the recipient, but at this point, I cannot</p> <p>20 remember.</p> <p>21 Q Please go ahead and take your</p> <p>22 time.</p> <p>23 A [Witness reviews document.]</p> <p>24 I have read it, yes.</p> <p>25 Q And does this -- is this e-mail</p>	<p>1 now familiar to you?</p> <p>2 A Yes, but I don't remember it very</p> <p>3 clearly.</p> <p>4 Q Do you see where in the first</p> <p>5 paragraph, it suggests that you did not give the</p> <p>6 report a grade?</p> <p>7 A Correct. We did not do that</p> <p>8 because it was an investigation.</p> <p>9 Q And we are talking about a grade</p> <p>10 for the 2010 audit report, correct?</p> <p>11 A Yes, it was not given a grade.</p> <p>12 Q The next paragraph says that "In</p> <p>13 submission to the head of department, the report has</p> <p>14 been listed as 'critical.'" Correct?</p> <p>15 A Yes, that is what it says here.</p> <p>16 Q Do you know how the report came to</p> <p>17 be labeled "critical"?</p> <p>18 A I do not know.</p> <p>19 Q But it was not you, correct?</p> <p>20 A No, I did not.</p> <p>21 Q It does not appear to have been</p> <p>22 your colleague, Ms. Sørensen, correct?</p> <p>23 A Also, correct. I am not sure, but</p> <p>24 I imagine this happened in connection with the</p> <p>25 report being sent to the department and presented to</p>

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<p>1 MR. WEINSTEIN: Objection.</p> <p>2 A That is what she writes in her</p> <p>3 e-mail.</p> <p>4 BY MR. BAHNSEN:</p> <p>5 Q Did you ever have discussions with</p> <p>6 Ms. Rømer about whether Accounting II should be the</p> <p>7 place responsible for dividend tax administration?</p> <p>8 A No. Not to my knowledge, no.</p> <p>9 Q Did you ever have discussions with</p> <p>10 her about a need for there to be some verification</p> <p>11 on documents in the process of approving reclaim</p> <p>12 applications?</p> <p>13 A Yes. As we wrote about this in</p> <p>14 the report.</p> <p>15 Q Okay. Can you turn, please, to</p> <p>16 Exhibit 3008.</p> <p>17 A [Witness complies.]</p> <p>18 Q Are you familiar with this</p> <p>19 document?</p> <p>20 A [Witness reviews document.]</p> <p>21 Only from the Danish National</p> <p>22 Audit Office website.</p> <p>23 Q Have you reviewed this document</p> <p>24 before?</p> <p>25 A I only read the sections that</p>	<p>1 referred to the report that I was part of.</p> <p>2 Q Can you please turn to the page</p> <p>3 marked "28" in the top left corner. It is the</p> <p>4 paragraph 69.</p> <p>5 A [Witness complies.]</p> <p>6 Q One second. The document we have</p> <p>7 before us is the National Audit Office's report,</p> <p>8 correct?</p> <p>9 A Correct.</p> <p>10 Q And it relates to a review of</p> <p>11 dividend tax administration, correct?</p> <p>12 A Yes, it is about fraud with -- no,</p> <p>13 fraud in dividend tax refunds.</p> <p>14 Q So back to paragraph 69, it says</p> <p>15 that "The National Audit Office establishes that</p> <p>16 your 2010 audit report clearly warned about problems</p> <p>17 with reimbursement of dividend tax." Correct?</p> <p>18 A Correct, that is what it says.</p> <p>19 Q The National Audit Office saw your</p> <p>20 report as a clear warning; is that your</p> <p>21 understanding there?</p> <p>22 MR. WEINSTEIN: Objection to form.</p> <p>23 A Correct.</p> <p>24 [Reporter requests clarification.]</p> <p>25 THE INTERPRETER: "Correct."</p>
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<p>1 BY MR. BAHNSEN:</p> <p>2 Q Do you agree with the National</p> <p>3 Audit Office's conclusion?</p> <p>4 A Yes, I am -- yes, I do.</p> <p>5 Q Can you please turn back a few</p> <p>6 pages to -- excuse me, just -- the page right</p> <p>7 before, page 27.</p> <p>8 A [Witness complies.]</p> <p>9 Q And under Box 6, the National</p> <p>10 Audit Office lists a number of points from your</p> <p>11 audit report, correct?</p> <p>12 A Correct.</p> <p>13 Q And I will just take these in turn</p> <p>14 here.</p> <p>15 The Audit Office notes that --</p> <p>16 MR. WEINSTEIN: And just to be clear, we</p> <p>17 are going to take the time -- he read the points in</p> <p>18 his report and now you are going ask him if another</p> <p>19 report that says his report says those points,</p> <p>20 you're going to go through each one?</p> <p>21 MR. BAHNSEN: I want to make sure that our</p> <p>22 understanding of these translations is the same. If</p> <p>23 there are no problems, it likely will not take very</p> <p>24 long.</p> <p>25 MR. WEINSTEIN: He's not here to make</p>	<p>1 translations of a report he didn't issue. I mean,</p> <p>2 we're just wasting time --</p> <p>3 MR. BAHNSEN: I'm not asking him to</p> <p>4 translate. I'm asking him to give his testimony</p> <p>5 based upon an understanding, which he is going to</p> <p>6 form from his reading of the document.</p> <p>7 BY MR. BAHNSEN:</p> <p>8 Q Mr. Daugaard, first bullet point,</p> <p>9 National Audit Office says that "SKAT is not</p> <p>10 checking whether the dividend tax that the companies</p> <p>11 paid corresponded to the dividend tax reclaimed."</p> <p>12 Is that your understanding of that</p> <p>13 bullet point?</p> <p>14 A I am not certain that the text</p> <p>15 written here is identical one to one to what it says</p> <p>16 in the report.</p> <p>17 Q So, it may not be, but I am going</p> <p>18 to ask you if the National Audit Office's</p> <p>19 characterization of your report is a fair one.</p> <p>20 Is that -- do you understand that?</p> <p>21 A Then I would like to have a minute</p> <p>22 to read what it says.</p> <p>23 Q Of course. Please, go ahead.</p> <p>24 A [Witness reviews document.]</p> <p>25 This is more or less --</p>

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<p>1 colleagues in internal revision or did you testify 2 at a separate time from each of them? 3 A We made our statements one by one. 4 So, I went in first to testify and 5 then I went out and then Jens went in, and then 6 Linda, and then Tina at the end. 7 And I don't know what they said to 8 the Commission. 9 Q You mentioned earlier that you 10 have reviewed a copy of your transcript, correct? 11 A Correct. 12 Q You received a copy of that from 13 your counsel at the time, correct? 14 A Correct. 15 Q Did you say that that had been 16 sent to your SKAT e-mail address? 17 A Correct. 18 MR. BAHNSEN: Okay. I am going to just 19 note for the record that Defendants have made a 20 request for all copies of the transcript testimony 21 in the possession of SKAT, and it appears there is 22 at least one such transcript in SKAT's possession at 23 this time. So I will ask that that be produced to 24 defendants. 25 Q Do you recall what you said to the</p>	<p>1 Commission? 2 A The general outline, yes, but, 3 otherwise, I would need to have the transcript in 4 front of me. 5 Q I cannot do that for you today. 6 But if you would, please, turn to 7 Exhibit 3364. 8 A [Witness complies.] 9 Q Are you familiar with this news 10 article? 11 A [Witness reviews document.] 12 Yes, it is a wonderful drawing of 13 me. 14 Q Is that you? 15 A [In English] Yes. 16 Q I see it. 17 Have you read this article before? 18 A Long ago. 19 Q Okay. Okay. 20 If you would take a look at the -- 21 the second page, the very last line. 22 A [Witness complies.] 23 MR. WEINSTEIN: Which page? 24 MR. BAHNSEN: The translation might be 25 slightly different, actually. Your second page for</p>
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<p>1 your, Marc. 2 MR. WEINSTEIN: Okay. 3 BY MR. BAHNSEN: 4 Q The paragraph reads, "'One should 5 be blind if one did not respond to our warnings. 6 They stood and flashed red lights,' said the first 7 witness of the day, Bo Dugaard." 8 Do you see that? 9 A Yes. Yes. 10 Q Did you testify in that way? 11 A It sounds about right, yes. 12 Q So you agree with the statement 13 there that one had to have responded to the warnings 14 in your report? 15 A Yes. And I believe that that is 16 the case. 17 Q SKAT didn't respond, correct? 18 MR. WEINSTEIN: Objection. To what? 19 A Well, they did establish the work 20 group that we have discussed and things did happen 21 much later on once I had ended my job with internal 22 audit. 23 BY MR. BAHNSEN: 24 Q Is it a fair reading of this 25 portion of your testimony that a reasonable person</p>	<p>1 would have understood the need to do something in 2 response to your report? 3 MR. WEINSTEIN: Objection to form. 4 A Yes, I would say so. 5 BY MR. BAHNSEN: 6 Q If you look a few paragraphs 7 further down the article, there is a paragraph that 8 begins, "The first of four witnesses." 9 A [Witness complies.] 10 Q The article reports that "You and 11 your colleagues gave the impression of a tax in 12 organizational decay and inability or unwillingness 13 of management to do something about it." 14 Do you see that? 15 A Correct. 16 Q Do you agree with that statement? 17 MR. WEINSTEIN: Objection. It refers to 18 four witnesses, he said he doesn't know what three 19 of them said, so that's -- 20 MR. BAHNSEN: I will rephrase. I will 21 rephrase. 22 Q To the -- do you agree with that 23 statement to the extent of the testimony you 24 provided to the Commission? 25 A Yes, I would say so on the basis</p>

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<p>1 Q As an auditor, if you have 2 identified a problem, would you recommend not fixing 3 it because the solution is hard? 4 MR. WEINSTEIN: Objection to form. 5 A I will always recommend handling 6 the problem. 7 BY MR. BAHNSEN: 8 Q Any time you identify an issue, 9 you would recommend fixing it, correct? 10 A That is correct. 11 Q Mr. Weinstein raised a system 12 called Tastselv, is that correct? 13 A That is correct. 14 Q Would you agree that that system 15 made reporting dividends easier? 16 A At least, less resource intensive 17 for SKAT. 18 Q What about for the companies that 19 were reporting? 20 A Not necessarily for them. 21 Q Okay. Can you turn back, please, 22 to Section 6 in the final report. 23 A [Witness complies.] 24 Q Section 6 identifies a number of 25 different entities with whom you consulted in the</p>	<p>1 preparation of this report, correct? 2 A Absolutely correct. 3 Q So in addition to Ms. Rømer, you 4 consulted with the legal department, correct? 5 A Yes, it is correct that we were in 6 contact with the division called the -- the legal 7 division with -- 8 THE WITNESS: [In English] "Economics." 9 THE INTERPRETER: -- "general economics." 10 I am at this point blank. So, I can 11 Google it if you want me to, but -- 12 [Discussion in Danish between 13 interpreter and witness.] 14 BY MR. BAHNSEN: 15 Q It is okay. 16 You also were in contact with 17 Process and Digitalization, correct? 18 A Correct. 19 Q In fact, you were in touch with 20 people from Accounting II other than Ms. Rømer, 21 correct? 22 A Yes, at meetings or via e-mail. 23 But Lisbeth Rømer was always CC'd or the person in 24 was always CC'd. 25 Q To the -- excuse me. Withdrawn.</p>
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<p>1 You testified earlier that the 2 conclusions in the report are the conclusions of 3 SIR, correct? 4 A That is correct. 5 Q To the extent that your 6 conclusions are the same as conclusions made by 7 Ms. Rømer, that is because SIR agreed with those 8 conclusions, correct? 9 A That is correct. 10 Q Mr. Weinstein asked a few 11 questions about the difficulty of obtaining the 12 identity of foreign shareholders in omnibus 13 accounts. 14 Do you remember that? 15 MR. WEINSTEIN: Objection to form. 16 A That is correct. 17 BY MR. BAHNSEN: 18 Q And this is a risk you identified 19 in your 2010 report, correct? 20 A Yes, that is correct, and we 21 discussed this earlier. 22 Q And did that risk create the 23 possibility that SKAT would refund money to people 24 not entitled to that? 25 A Yes. That is correct.</p>	<p>1 Q That could include fraudulent 2 applications, correct? 3 A That is correct. 4 Q And I believe you testified also 5 that your testimony before the Commission related to 6 this matter reflected a belief that your warning was 7 very clear, right? 8 A That is correct. 9 Q The press reported your position 10 as being that "only a blind person would not 11 understand the warnings." Correct? 12 MR. WEINSTEIN: Objection. Asking him to 13 repeat his earlier testimony is not really recross. 14 BY MR. BAHNSEN: 15 Q Can you answer the question? 16 A That is correct. 17 Q Is that still your opinion? 18 A Yes, I do. 19 MR. BAHNSEN: I have no further questions. 20 Thank you very much. 21 [Question interpreted.] 22 THE WITNESS: It was a pleasure talking to 23 you, too. 24 MR. BAHNSEN: Run, run out. Everybody. 25 Okay, José. That is a wrap.</p>